

Agency:	107 Health Care Authority
Decision Package Code/Title:	PL-EG Eliminate DL/ADATSA
Budget Period:	2012 Supplemental
Budget Level:	PL - Performance Level

Fiscal Detail/Objects of Expenditure

	FY 2012	FY 2013	Total
1. Operating Expenditures:			
Fund 001-1 General Fund State	\$ (35,339,000)	\$ (74,633,000)	\$ (109,972,000)
Fund 001-2 GF-Federal - Basic	\$ -	\$ -	\$ -
Fund 001-C GF-Federal - Medicaid	\$ (33,788,000)	\$ (71,830,000)	\$ (105,618,000)
Fund 001-7 GF-Private/Local	\$ -	\$ -	\$ -
Fund 418-1 HCA Admin Account	\$ -	\$ -	\$ -
Total	\$ (69,127,000)	\$ (146,463,000)	\$ (215,590,000)
2. Staffing:			
Total FTEs	-	-	-
3. Objects of Expenditure:			
A - Salaries And Wages	\$ -	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ -	\$ -
E - Goods And Services	\$ -	\$ -	\$ -
G - Travel	\$ -	\$ -	\$ -
J - Capital Outlays	\$ -	\$ -	\$ -
N - Grants, Benefits & Client Services	\$ (69,127,000)	\$ (146,463,000)	\$ (215,590,000)
Other (specify) -	\$ -	\$ -	\$ -
Total	\$ (69,127,000)	\$ (146,463,000)	\$ (215,590,000)
4. Revenue:			
Fund 001-2 GF-Federal - Basic	\$ -	\$ -	\$ -
Fund 001-C GF-Federal - Medicaid	\$ (33,788,000)	\$ (71,830,000)	\$ (105,618,000)
Fund 001-7 GF-Private/Local	\$ -	\$ -	\$ -
Fund 418-1 HCA Admin Account	\$ -	\$ -	\$ -
Total	\$ (33,788,000)	\$ (71,830,000)	\$ (105,618,000)

Recommendation Summary Text

Health Care Authority (HCA) submits spending reductions totaling -\$215,590,000(-\$109,972,000 GF-State) that would result from the elimination of Medical Care Services for Disability Lifeline (DL) / Alcohol and Drug Abuse Treatment Support Act (ADATSA) in the 2012 Supplemental. This submittal is in response to the request for a ten percent across-the-board reduction plan.

Package Description

Previously known as General Assistance - Unemployable, or GA-U, the DL program operates under an 1115 demonstration waiver. DL serves over 17,000 vulnerable adults who are unable to work because of a physical or mental health condition, yet do not qualify for Medicaid or disability. The existing program provides both a health care safety net and is often the first step in a process that

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leads to federally funded care and Supplemental Security Income (SSI).

The ADATSA program, operating under an 1115 demonstration waiver, provides over 4,000 individuals, incapacitated from gainful employment due to drug or alcohol abuse, with shelter and/or medical benefits, treatment, and support under the Alcohol and Drug Addiction Treatment and Support Act.

Without medical, mental health, and substance abuse treatment benefits, many clients will delay needed care and seek services in already burdened community health centers (CHCs) and emergency rooms. Clients with chronic disabling conditions may not improve with the type of episodic care often provided in hospitals and emergency rooms. Clients may become further disabled and their chronic condition may worsen.

Under this proposal, MPA proposes the elimination of medical coverage for DL and ADATSA clients, effective January 1, 2012.

Questions related to the fiscal portion of this decision package should be directed to Rachel Arnold at (360) 725-1030 or rachel.arnold@hca.wa.gov.

Questions related to the programmatic portion of this package should be directed to Manning Pellanda at (360) 725-1416 or manning.pellanda@hca.wa.gov.

Narrative Justification and Impact Statement

This proposal is intended to meet the Governor's request for agencies to submit plans for 10 percent reductions as a result of expected revenue shortfall for the 2011-13 Biennium.

What specific performance outcomes does the agency expect?

This reduction package identifies savings in response to instructions provided by the Office of Financial Management (OFM) for the 2012 Supplemental Budget.

Performance Measure Detail

The elimination of the Disability Lifeline and Alcohol and Drug Abuse Treatment Support Act programs will be effective January 1, 2012 and is estimated to save -\$215,590,000 in total.

Activity: H060 Medical Care for General Assistance Unemployable and ADATSA

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This package will assist the department in meeting the targeted reductions as identified by OFM.

Does this decision package provide essential support to one of the Governor's priorities?

Yes. This package assists the department in implementing changes to meet the reduction targets identified by OFM as part of the 2012 Supplemental Budget and keeping the state's budget balanced.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government (POG) process?

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Yes. This package assists the department in implementing changes to meet the reduction targets identified by OFM as part of the 2012 Supplemental Budget.

What are the other important connections or impacts related to this proposal?

Not Applicable.

What alternatives were explored by the agency, and why was this alternative chosen?

None, as this an optional program, and is needed to achieve general fund state savings towards the Governor's 5% and 10% budget reduction targets.

What are the consequences of not funding this package?

The department will not be able to meet its budget reduction targets.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

Various Washington Administrative Codes (WAC) that support both the scope of care and eligibility requirements for Medical Care Services would need revision.

The elimination of Medical Care Services for Disability Lifeline and ADATSA would necessitate changes to ACES .

Expenditure and revenue calculations and assumptions.

Revenue Calculations and Assumptions:

See table below.

Expenditure Calculations and Assumptions:

See table below.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These changes in funding are ongoing and will carry forward into future biennia.

Distinction between one-time and ongoing costs:

Not applicable.

Budget impacts in future biennia:

These changes in funding are ongoing and will carry forward into future biennia.

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2012 Supplemental Budget						
PL- XX Elimination of DL/ADATSA						
BU-FND	(Multiple I	All assistance side budget units				
TYPE	EXP	Expenditures				
SPROG	(Multiple I	H1625 & H1645 DL/ADATSA population				
	Data FDSC					
	Sum of FY1(1/2)		Sum of FY2		Total Sum of FY1(1/2)	Total Sum of FY2
PACKET	FEDERAL	State	FEDERAL	State		
00FC	34,002,750	39,121,184	72,317,000	82,916,000	73,123,934	155,233,000
DLA	1,388,498	(1,388,498)	2,956,000	(2,956,000)	-	-
E03	(38,002)	(42,998)	(79,000)	(92,000)	(81,000)	(171,000)
E04	(21,502)	(32,504)	(61,000)	(92,000)	(54,006)	(153,000)
E05	(478,374)	(624,020)	(1,005,000)	(1,311,000)	(1,102,394)	(2,316,000)
E08	(12,502)	(33,998)	(27,000)	(73,000)	(46,500)	(100,000)
E23	(243,998)	(600,000)	(515,000)	(1,267,000)	(843,998)	(1,782,000)
E24	(609,502)	(665,498)	(1,307,000)	(1,435,000)	(1,275,000)	(2,742,000)
E32	(40,500)	(49,500)	-	-	(90,000)	-
E33	-	-	(114,000)	(295,000)	-	(409,000)
E34	-	-	(2,000)	(7,000)	-	(9,000)
EC5	(1,500)	(3,502)	(3,000)	(7,000)	(5,002)	(10,000)
EC6	(24,502)	(64,500)	(49,000)	(135,000)	(89,002)	(184,000)
EC7	(36,000)	(36,000)	(74,000)	(75,000)	(72,000)	(149,000)
EC8	(998)	(4,500)	(5,000)	(19,000)	(5,498)	(24,000)
G86	(1,036)	(7,762)	(4,000)	(31,000)	(8,798)	(35,000)
G90	(12,998)	(34,500)	(27,000)	(72,000)	(47,498)	(99,000)
G92	(73,895)	(186,548)	(155,000)	(401,000)	(260,443)	(556,000)
G96	(502)	(998)	(1,000)	(2,000)	(1,500)	(3,000)
QG	(7,500)	(6,502)	(15,000)	(13,000)	(14,002)	(28,000)
Grand Total	33,787,937	35,339,356	71,830,000	74,633,000	69,127,293	146,463,000
Savings:						
	FY12 (Jan-Jun	FY13	Total			
State	35,339,000	74,633,000	109,972,000			
Federal	33,788,000	71,830,000	105,618,000			
Total (rounded)	69,127,000	146,463,000	215,590,000			